

Message Text

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67

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 INT-08 AGR-20 SCI-06 SCEM-02 /230 W

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R 281908Z NOV 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1602

INFO USCINCSO

AMEMBASSY LIMA

UNCLAS LA PAZ 7148

LIMA FOR FULLMER

E.O. 11652: N/A

TAGS: EGEN BL

SUBJ: BANZER STATES ECONOMIC OBJECTIVES

SUMMARY: AFTER SWEARING IN NEW CABINET EVENING NOVEMBER 26, PRESIDENT BANZER MADE LENGTHY STATEMENT OUTLINING SPECIFIC ECONOMIC PROGRAM HE INTENDS GOB TO PURSUE UNTIL ELECTIONS HELD. HIS THEME WAS THAT "BOLIVIA NEEDS NOT SO MUCH A 'REVOLUTION' AS GOOD ADMINISTRATION". HE PLEDGED GOOD GOVERNMENT, CONCRETE RESULTS AND STRESSED IMPORTANCE OF STABILITY, EXPORTS, PRIVATE INVESTMENT (INCLUDING FOREIGN) AND LINK BETWEEN WAGES AND PRODUCTIVITY. END SUMMARY.

1. IN AFTERNOON STATEMENT ANNOUNCING HE WOULD NOT BE PRESIDENTIAL CANDIDATE BANZER REFERRED BRIEFLY TO HIS GOVERNMENT'S PAST ECONOMIC ACHIEVEMENTS: ARGENTINE GAS PIPELINE AND OTHER FINANCING INCLUDING EMERGENCY PLAN, PADES, AND INCREASED AGRICULTURE PRODUCTION AND UNCLASSIFIED

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EXPORTS, ESPECIALLY SUGAR AND COTTON. HE ALSO STATED THAT BOLIVIA

SHOULD TAKE ADVANTAGE OF PRESENT WORLD ECONOMIC SITUATION TO MAKE ITSELF "AN EMPORIUM OF PRODUCTS ESSENTIAL FOR WORLD CONSUMPTION".

2. IN EVENING STATEMENT BANZER LOOKED TO FUTURE. HE SAID FUNDAMENTAL ECONOMIC PROBLEM IS DIVERSIFICATION. "IT IS NECESSARY TO FREE THE COUNTRY FROM ECONOMIC STAGNATION AND ACHIEVE A SUBSTANTIAL INCREASE IN EXPORTS. THE MOMENT HAS ARRIVED WHEN WE SHOULD TAKE ADVANTAGE OF OUR NATURAL RESOURCES TO THE MAXIMUM. FOR THIS TASK WE NEED PUBLIC AND PRIVATE, NATIONAL AND FOREIGN INVESTMENTS, THAT SERVE THE NATIONAL INTERESTS". HE SYMPATHIZED WITH PRIVATE SECTOR STATING THAT IT MUST BE SURE THAT THE STATE WILL ALLOW IT TO FUNCTION "FREE FROM FEARS AND INSTABILITY" WITH ADEQUATE CREDIT, PROFIT INCENTIVES AND DEFENSE OF NATIONAL MARKETS. IN RETURN BUSINESSMEN MUST RENDER SOCIAL JUSTICE BY INCREASING SALARIES IN RELATION TO PRODUCTIVITY AND BY RESPECTING IMPORTANCE AND RIGHTS OF WORKERS.

3. BANZER FURTHER CALLED FOR HONESTY, REALISM AND AN END TO FAVORITISM AND DEMOGOGUERY. HIS "NATIONALIST GOVERNMENT" WISHES TO ESTABLISH "A MODEL" FOR NATION TO FOLLOW RATHER THAN AN ECONOMIC PLAN. BOLIVIA MUST BREAK PAST VICIOUS CIRCLE OF INSTABILITY. PRESIDENT EMPHASIZED IMPORTANCE OF BOLIVIAN PARTICIPATION IN REGIONAL INTEGRATION AND SAID THAT BOLIVIA WHILE PROTECTING SOVEREIGNTY SHOULD PLAY A ROLE OF A COUNTRY OF CONTACTS AND EQUILIBRIUM IN THE LATIN AMERICAN INTEGRATION PROCESS.

4. BANZER CONCLUDED BY TICKING OFF "MINIMUM PLAN" OF ACCOMPLISHMENTS FOR COMING MONTHS. MOST INTERESTING SPECIFIC ITEMS WERE: SOLVING PROBLEMS OF LLOYD AEREO BOLIVIANO, ELECTRICAL INTERCONNECTION LA PAZ-ORURO-COCHABAMBA, START ON ROADS TO BENI, PANDO AND EL ALTO, PUSHING WHEAT PRODUCTION, PLANS FOR STEEL AND PETROCHEMICAL DEVELOPMENT CONSISTENT WITH COUNTRY'S SOVEREIGNTY, INDUSTRIAL INCENTIVES BASED ON CARTAGENA PACT, PROMULGATION OF NEW MINERALS CODE, INCENTIVES FOR MINING EXPLORATION AND PRODUCTION DESIGNED TO DIMINISH DEPENDENCE ON TIN, PROMULGATION OF NEW COMMERCE

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CODE AND BANKING AND INSURANCE LAWS.

5. TEXT BEING POUCHED.
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Disposition Reason:
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